

Message Text

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64

ORIGIN OPIC-12

INFO OCT-01 ARA-16 ISO-00 EB-11 /040 R

66631

DRAFTED BY:OPIC:ID:JW GURR

APPROVED BY:EB/IFD/OIA:MKENNEDY

EB/IFD/OIA:WHCOURTNEY

OPIC/ID:G COOPER

OPIC/ID:J GURR

ARA/NC:MFORRESTER

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R 102230Z SEP 73

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

UNCLAS STATE 179609

E.O. 11652: N/A

TAGS: EFIN, VE

SUBJ: REYNOLDS INTERNATIONAL

APPLICATION FOR INSURANCE NO. 529-72-087

1. DR. EUGENE DESVERNINE, VP AND GENERAL COUNSEL OF REYNOLDS INTERNATIONAL, WILL CONTACT EMBASSY THIS WEEK CONCERNING FGA LIMITATION OF OPIC COVERAGE TO US \$3 MILLION OF REYNOLDS'S PLANNED US \$6.1 MILLION INVESTMENT IN ALCASA EXPANSION. OPIC HAS ADVISED DESVERNINE THAT PRESENT SUSPENSION OF OPIC PROGRAMS IN VENEZUELA PRECLUDES INVESTORS SEEKING NEW FGAS FROM GOV. WE SUGGESTED, HOWEVER, THAT HE DISCUSS WITH EMBASSY(NORRED) POSSIBILITY OF GETTING GOV TO AMEND JANUARY 12, 1973 FGA TO ALLOW OPIC INSURANCE OF ENTIRE US \$6.1 MILLION INVESTMENT. (FYI: US 720,000 OF THIS AMOUNT IS PROBABLY INELIGIBLE; SEE PARA 2 BELOW). BASIS FOR NEW APPROACH WOULD BE "FORMULARIO B" SUBMITTED TO MINISTERIO DE FOMENTO BY ALCASA ON JUNE 7, 1972 OUTLINED FULL US \$6.1 MILLION PROPOSED INVESTMENT.

2. REYNOLDS INVESTMENT IN SECOND EXPANSION OF ALCASA CONSISTS OF: US \$720,000 FINAL PAYMENT ON 15,000 C1 B SHARES SUBSCRIBED IN 1968 (THIS PAYMENT IS PROBABLY NOT ELIGIBLE FOR OPIC INSURANCE UNCLASSIFIED

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SINCE IT APPEARS TO HAVE BEEN COMMITTED BEFORE REGISTRATION

LETTER ISSUED ON AUGUST 31, 1971); U.S. D2.4 MILLION FOR
10,500 NEW SHARES; AND U.S. \$3 MILLION REINVESTED RETAINED
EARNINGS. RUSH

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Copy: SINGLE
Draft Date: 10 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: OPIC:ID:JW GURR
Enclosure: n/a
Executive Order: N/A
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Handling Restrictions: n/a
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ISecure: 1
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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30 JUN 2005

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To: CARACAS
Type: TE
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